

SPEAKER BARRETT: If there are no objections, proceed. Senator Conway.

SENATOR CONWAY: Mr. Speaker and members, amendment 3099 that I'm offering to LB 1059, that was passed out yesterday afternoon, it's a short amendment and there's some handwritten information at the bottom of the page as well, if you can identify that on your desk. Hopefully, you still have those materials with you. What this attempts to do...yesterday, during the discussion, there was some time spent relative to the implementation date of the income tax, whether to have a retroactive go back to January 1st of this year which would then necessitate to have a 17.5 percent increase for the entire year but not start until the middle of the year, would necessitate a 35 percent withholding. A withholding to probably most taxpayers from a budgetary pressure situation for their personal income situations is more than I think many of us and all of us could probably believe was possible to do to have that much burden at the tail end of the year with respect to holding, even though the rate would be applied across the entire year. And so we rejected that and moved the date, in essence, allowed the date not to be implemented until 1991 with our 3.7 rate. Well, the more I thought about that, one, I certainly did not want to see a double withholding in the second half of the year to accomplish that but, by the same token, when we finish this process, if this bill advances and there is an income tax rate imminent that is going to come along, I would like to see it get started because, otherwise, in January when we actually kick that in to the average taxpayer, once they heard that there was a tax increase, they do not experience it for six, eight, nine months, then have it, I think the perception is going to be that their taxes were raised again on them. I think once we complete this, we ought to kick it in, plus we need the funds to start contributing to this process. So if you will see what the amendment simply does is, it says for...and I worked the amendment out in the sense of being backwards. What I did is I created...what rate would we need to have in the year 1990 to start the withholding at the 17.5 percent rate in July, and for the second half of the year that rate would...17.5 percent withholding then would establish a rate for the entire year of 3.43. What that, in essence, will do, will generate 50,600,000, roughly, relative to the income for the 1990 year. We will have that much money to help fund the proposal going into this next concern. Senator Warner was quite concerned in terms of not having the monies available. This is over half of